



Marine Survey & Appraisal

August 12, 2022

Mr. Ryon Little
De Leo, Kystenstierna & Little P.A.
8950 Southwest 74th Court
Suite 1710
Miami, FL 33156

Re: M/V "CARIBBEAN EXPRESS I"
Limited Scope Retrospective Appraisal
as of February 26, 2022
Owners: SEACOR Island Lines, LLC
Our File No.: 1478-02N22

Dear Mr. Little:

Please be advised that the undersigned Marine Appraiser has reviewed the information provided by you and publicly available in order to provide our opinion of the fair market value of the vessel as of February 26, 2022, for the intended use of De Leo, Kystenstierna & Little.

The vessel was not inspected by the undersigned in conjunction with this limited scope appraisal.

The following general particulars were taken from the available information:

Vessel Name:	"CARIBBEAN EXPRESS I"
IMO Number:	9233727
Flag:	Panama
Call Sign:	HO2570
Dimensions:	175.3' x 38.0' x 10.0'
Built:	2000
GRT/NRT:	499/156
Main Engines:	Two Caterpillar model 3412
Deck Capacity:	26 TEU RO/RO – 46 TEU LO/LO
Crew Berths:	Seven
Bow Ramp:	20' x 22'
Deck Cargo Area:	6,600 square feet



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Caribbean Cargo Ship Safety Certificate:	Expires February 4, 2024
Cargo Ship Safety Radio Certificate:	Expires February 4, 2024
Int'l Air Pollution Prevention Certificate:	Expires February 4, 2024
Doc of Compliance for Dangerous Goods:	Expires February 4, 2024
International Load Line:	Expires February 4, 2024
Panama Maritime Authority Registration:	Expires September 21, 2026 – Registration No. 28223-02-F
International Tonnage Certificate:	Issued February 26, 2013

Based on our review and research and the extraordinary assumption that the vessel was in good operating condition, free of any significant unrepaired damage with all international and flag state certificates in force, it is the opinion of the undersigned that the vessel had a fair market value as of February 26, 2022 of:

\$2,460,000

SCOPE OF WORK NARRATIVE:

The cost and sales comparison approaches to value were considered in this appraisal. No data on income and operating expense was provided to perform a discounted cash flow income approach to value.

For the cost approach, the replacement cost on the date of value was estimated to be \$5,950,000 based on a 2018 quote from a U.S. builder of similar vessels indexed to the date of value using the Producer Price Index. The replacement cost was depreciated over a normal economic life of thirty years after deducting a residual value equal to 20% of the current replacement cost. The calculated yearly physical depreciation was multiplied by a remaining useful life of eight years, based on the vessel's age subtracted from the normal economic life, and the residual value was added back to arrive at a cost approach value of \$2,460,000, rounded.

Research identified twenty similar vessels currently offered for sale worldwide. It should be noted that only three of these vessels appear to be located in the Americas and only two were listed with build dates. Two of the vessels located in the Americas appear to be Jones Act qualified and are therefore, not comparable to the subject non-Jones Act vessel. In the opinion of the undersigned, the comparable offering data is not sufficient to determine a credible sales comparison approach to value and we have, therefore, relied on our cost approach to value.

SPECIFIC REFERENCE MATERIAL:

1. DLS File 1875-03N21
2. U.S. Coast Guard PSIX data site
3. Producer Price Index No. 3366119 – Shipbuilding – Non Military
4. Owner Specification Sheet
5. Vessel Documents
6. Ocean Marine Brokerage Services

7. Pacific Boat Broker
8. NautiSNP
9. Horizon Ship Brokers

LIMITING CONDITIONS:

1. This is a limited scope retrospective appraisal report, which was done for limitation purposes. Supporting documentation concerning the data developed and the value calculations is retained in the appraisal file.
2. The value is a statement of opinion. No guarantee can be given that this opinion of value will be sustained or that it would be realized in an actual transaction.
3. The value given in this appraisal is for the stated valuation date only, and only for the stated purpose. It is a gross value and does not consider brokerage fees, marketing costs, shifting or relocation costs, security, etc.
4. In marine asset appraisal, specific sales information is not a matter of public record.
5. The vessel was appraised under the assumption that there was responsible ownership and management, competent crewing, and ongoing maintenance.
6. The vessel was appraised on the premise that it was free and clear of all encumbrances, mortgage debt, and special liens.
7. Value is considered to be in cash. Contracts or charters, if any, are not considered in reaching the value.
8. We are unaware of any significant potential environmental hazards associated with this equipment other than normal onboard fuel and lubes.
9. The values noted above are based on the unit's assumed condition.
10. It is assumed that the vessel was in full compliance with all applicable international, federal, state, or local regulations unless otherwise stated in the report.
11. No responsibility is assumed for latent defects of any nature that could have an effect on the equipment's value. No determination of stability characteristics or inherent structural integrity has been made, and no opinion is expressed with respect thereto.
12. Equipment descriptions are included in the report for purposes of identification and classification. Descriptions are intended for informational purposes only but are not intended to detail all conditions or list all features associated with each item described.
13. This report was prepared for the client of record, as noted, in order to provide an opinion of value under an assumed set of circumstances as requested and mutually agreed upon by

that client. Any audit support, legal defense, court, or deposition preparation or additional time incurred in support of any review or audit related to it will be considered a new and separate assignment.

14. This report was made by Dufour, Laskay & Strouse, Inc. and will be considered as confidential. Copies of this report will only be made available to other parties with prior written consent of the purchaser/owner of this report. Any confidential information received in preparation of this report will be kept confidential.
15. Information supplied by others that was considered and utilized in constructing this report is from sources believed to be reliable and no further responsibility is assumed for its accuracy.

PROCEDURES AND ANALYSIS:

In general, marine equipment is built for a dynamic market and can be used worldwide, subject to limitations in mobilization, both physical and economical. In estimating the value of equipment, its age, design, condition, outfitting, market sector, and market economics are all important factors.

To determine an opinion of value of a vessel or unit of marine equipment, we consider the three approaches to value and use all that are appropriate considering the appraisal assignment and the data available.

Using the **cost approach**, the appraiser starts with the current new replacement or reproduction cost of the asset being appraised and then deducts for the loss in value caused by physical deterioration, functional obsolescence, and economic obsolescence. The logic behind the cost approach is the principle of substitution: a prudent buyer will not pay more for a property than the cost of acquiring a substitute property of equivalent utility.

For the cost approach analysis, we determine equipment's current day replacement cost, the cost of building a new vessel of like design, capacity, and/or horsepower at the current market rates. After deducting an estimated terminal value, this value is then depreciated over the expected economic life of a similar piece of equipment. The calendar remaining economic life is adjusted, either up or down, for the condition of the equipment as noted by the surveyor at time of survey to reflect the apparent physical remaining economic life.

Equipment that has recently been rebuilt or repowered could have years added to its remaining expected economic life. Conversely, equipment in need of repairs, maintenance, or repowering could have years removed from its remaining expected economic life. These same calculations are done if it is necessary to start with reproduction cost instead of replacement cost.

With the **sales comparison approach**, the basic procedure is to gather data on sales and offerings on assets of similar utility, determine their comparability to the subject asset, determine the appropriate units of comparison, collect and array the data, analyze and adjust the data, and apply the results to the subject.

We continue to analyze value by the sales comparison approach when appropriate data and information are available. Here comparable sales, current asking prices, and general market conditions are considered. The comparables found are adjusted to match the subject being appraised. Some of the information on comparables is based on our constant contact with owners, operators, brokers, lenders, and buyers and sellers of all types of marine and marine related equipment.

The **income approach** is a method for measuring the present value of a marine asset's expected future benefits, usually via a discounted cash flow analysis. It is used when necessary or requested, but only when sufficient multi-year historical and possible future budgeting/planning data, such as income flows and related expenses, are provided to the appraiser.

GENERAL REFERENCE SOURCES:

Dufour, Laskay & Strouse, Inc. maintains a journal in which information regarding new construction costs, day rates, repair costs, operational costs, actual/reported sales, and market/industry trends gleaned by this office are recorded. The journal was started in 1966 and provides much valuable information that is used in judging equipment value and marketability. It is particularly valuable for retrospective appraisals.

Dufour, Laskay & Strouse, Inc. also maintains a computer database of thousands of vessels and other equipment of all types valued by our office since 1988 and computerized access to subscription domestic and international vessel databases.

DEFINITIONS:

The definitions used in Dufour, Laskay & Strouse, Inc. appraisal reports are based on those adopted by The American Society of Appraisers Machinery & Technical Committee in 2010 and those found in the current effective edition of USPAP.

Fair market value is an opinion, expressed in terms of money, at which a property would change hands between a willing buyer and a willing seller, neither under any compulsion to buy or sell, and both having reasonable knowledge of relevant facts, as of a specific date.

Replacement cost is the current cost of a similar new property having the nearest equivalent utility as the property being appraised as of a specific date.

Economic Life is the estimated period of time that a new property may be profitably used for the purpose for which it was intended. Stated another way, economic life is the estimated number of years that a new property can be used before it would pay the owner to replace it with the most economical replacement property that could perform an equivalent service. Functional or economic obsolescence factors may limit a property's economic life. An asset's economic life will often be less than its *normal useful life*.

Remaining Useful Life is the estimated period, which a property of a certain effective age is expected to be used before it is retired from service.

Terminal or residual value in connection with a tangible asset refers to the value of an asset after expiration of its normal useful life or the value remaining after part of the property's life has been consumed.

Extraordinary assumption is an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.

SURVEYOR'S CERTIFICATION:

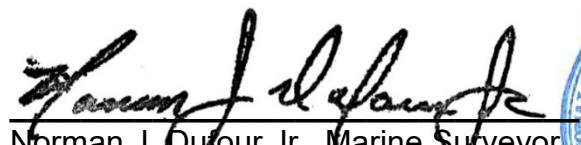
I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the vessel that is the subject of this report, and no personal interest with respect to the parties involved.
4. We are currently unaware of ever having previously provided any professional services involving this marine asset within the last three years. While we attempt to follow owner and name changes, many are not recorded, or not recorded in a manner that provides reasonable transparency.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
9. I have not made a personal inspection of the property that is the subject of this report.
10. No one provided significant personal property appraisal assistance to the person signing this certification.

I, Norman J. Dufour, Jr., hereby certify that, to the best of my knowledge and belief, the statements of fact contained in this report are true and correct, and this report has been prepared using the guidelines of the Uniform Standards of Professional Appraisal Practice of The Appraisal Foundation and the Principles of Appraisal Practice and Code of Ethics of the American Society of Appraisers.

The American Society of Appraisers has a mandatory re-certification program for its Senior Members (ASA) and Accredited Members (AM). I, Norman J. Dufour, Jr., am in compliance with that program.

Survey made, signed, and submitted without prejudice to rights and/or interests of whom it may concern.


Norman J. Dufour Jr., Marine Surveyor
NAMS – CMS, Hull & Machinery; ASA
DLS Marine



Enclosures: Appraiser's Resume